RVB Tank Storage Solutions

Market Report
July 2019

Tank storage opportunities & updates

Global & General

With the capture by Iran of the vessels M/t “Stena Impero” (UK) and the M/t “Mesdar” (Liberian flag with UK crew), the tension around the Hormuz Straight remains. Even though the Mesdar was released quickly after being taken. Meanwhile, in the port of Rotterdam we see tanks moving in mid-air almost daily.

Crude

It is 1 year ago this month that Brent crude futures prices were trading in contango after a backwardation period of almost the full year before, but that did not last long and backwardation came back with a vengeance. This week, oil prices weakened amid pessimism over U.S. - China trade talks and the prospect of slower economic growth globally that could reduce demand for crude. ICE Brent Crude is around $63 a barrel. U.S. West Texas Intermediate crude around $56 a barrel.
Crude prices were still supported by supply risk as tensions remain high around the Strait of Hormuz, the world’s most important oil passageway.

Fuel oil & Bunkers

The forward negative pricing shows that the demand for high Sulphur fuel oil is expected to drop. Contrary to the low Sulphur fuel oil, which shows a $15 contango. On the storage side we see a similar interest in fuel oil storage. **Tanks for low Sulphur fuel oil to cover the expected high demand and price difference for the next 6 months.** Long term commitment is harder to find, but options to extend after the first 6 months gives flexibility and reduces the risk. The popular hub ports don’t show much availability, but the outer ports may have some opportunities. The $15/mt doesn’t support 6-month storage costs.

Middle distillates & Light Ends

Fairly stable pricing over the next months, however still interest for storage.

Biofuels

Biofuels and advanced biofuels, as an increasingly popular transport fuel alternative, are having an increasingly prominent place in Europe’s energy transition. We see a growing interest and demand in storage of FAME from oil crops (rapeseed, palm, soy) to Used Cooking Oils and the upcoming advanced biodiesels.**This increase in demand leads to a direct decrease in available and suitable, mostly heated, storage capacities and to an increase in the storage rates.** On a more positive note, we see terminals making their transition to biodiesel as well as they invest in insulation and heating. Renowned trading houses and storage facilities alike are expressing interest in trade and storage for biodiesel. Terminals who do have tank capacities for these flows find themselves in the luxurious position that their tanks are rarely found empty.
Not only biodiesel but also ethanol is a product facing strong difficulties in finding available spot storage opportunities in ARA and in the surrounding areas. Not many terminals are capable of storing ethanol due to the excise regulations. Excise on ethanol is extremely high; not many terminals have an excise permit that covers that, forcing customers

to arrange their own excise bond and shift it to the terminal which is not ideal. The terminals that are specifically designed for ethanol storage and offering excise coverage are all either completely full or facing maintenance works pushing customers out of the terminal leaving them with no storage at all.

Chemicals

Chemical storage capacity remains very tight in NW Europe as well as the Baltics and with the current heat wave **there is again a fear that a halt to Rhine shipping could happen again** resulting in possible supply problems and a respond from the market to keep contracted tanks. Boat traffic on Europe's Rhine river ground to a halt for the first time last year, as shrinking alpine glaciers and severe drought made transport impassable. There is quite a chance that these conditions will be repeated in the coming weeks. Due to little rainfall recently, water levels at Kaur dropped already half the depth from just a month ago resulting in restricted barge movements. Companies up and down the Rhine are preparing emergency planning: buying smaller boats and protectively booking truck and train capacity as well as increasing stock. Road and rail capacity are being activated, but these transport modes are limited and much more expensive than barge transport, on top of that **storage availability along the Rhine is already tight because of Brexit-related stockpiling.**
Not only in Europe, but also in Asia, tanks are scarce. In Thailand, Malaysia and South Korea for example almost all small chemical tanks are contracted until the end of this year, some even for the coming years.

USA

A weak financial position of the 40 large shale producers will have an impact on the financial pressure of the shale industry, but also the news that the productivity (yield) per well is lower and the number of wells used are higher. The number of reserve wells is significantly less than reported before. **The American market will not be capable to replace the oil production in case the Middle East tensions will result in a reduced oil supply.** Financial investors in the American shale industry are suspicious about the future and potential bankruptcy and low value of the shares are not a bright outlook.

The North American downstream market — refiners and petrochemical producers — has greatly benefited from growing supply of light tight oil and NGLs, pricing disconnects due to lack of midstream infrastructure, and rapid emergence of export markets.

The USA's National Biodiesel Board (NBB) has strongly criticized the US Department of Commerce (USDC)'s preliminary decision to **lower countervailing duties on Argentine biodiesel from 72% to 10%.** "This appears to be an unprecedented and unjustified accommodation to Argentinian producers that threatens to harm US biodiesel producers and soya bean farmers". The USDC's decision was made as a result of a "changed circumstances review" requested by the Argentine government in September 2018. However, the commerce department ruled that changed circumstances did not warrant any changes to anti-dumping duties on Argentine biodiesel. Its final determination is due in September. If tankage is required to store the biodiesel, we can find them/have found them for you.

Meet the RVB storage brokers :

- 4-5 September : Specialty & Agri Chemicals America Trade Show, Charleston SC
- 9-11 September : S&P Global Platts' Annual Asia Pacific Petroleum Conference (APPEC), Singapore
- 18-19 September : S&P Global Platts' European Refining & Petrochemicals summit, Brussels
- 25-26 September : Tank Storage Asia Conference, Singapore
- 2-3 October : European Bulk Liquid Storage Conference, Antwerp
- 4-5 October: World Methanol Conference, Berlin
- 6-9 October : EPCA, Berlin
- 5-7 November : World Ethanol & Biofuels Conference, Brussels (RVB Speaker)

We would like to ask terminal operators to keep us informed on their available capacity space situation. In the list we also have a couple of sublease opportunities. We are open to potential sublease options and welcome cargo owners to show us their contracted tanks which are not utilized.

Please find a snapshot of opportunities
(available tanks at the terminals)

capacity (m3)	product	location	available from
		Belgium/Netherlands	
165.000	diesel/gasoil	ARA	now-Q4, 2019
16.500	chems	ARA	now-Q4, 2019
14.400	vegoils	ARA	now
10.000	biodiesel	ARA	now-Q4, 2019
170.000	dirty petroleum prods	ARA	now
67.500	light ends	ARA	now
		North Europe	
460.000	crude	Germany (North)	now
27.000	diesel/gasoil	Germany (North)	now
1.100	chems	Germany (inland)	now
360.000	diesel/gasoil	UK (West Coast)	now
1.800	chems/vegoils	UK (West Coast)	now
660.000	crude	UK (West Coast)	now
20.000	various	UK (East Coast)	now-Q4, 2019
5.000	ethanol	UK (East Coast)	now
100.000	light ends	Ireland	now
100.000	crude	Ireland	now
8.000	biofuels, vegoils	Denmark	now
74.500	dirty petroleum prods	Denmark	now
17.600	diesel/gasoil	Denmark	now
89.500	diesel/gasoil	Sweden	now
72.500	dirty petroleum prods	Sweden	now
5.000	vegoils	Sweden	now

8.300	light ends	Norway	now
580.000	Crude / diesel	Finland	now-Q1, 2020
8.500	gas	Finland	now
60.000	light ends	Estonia	now
22.000	various	Estonia	now
200.000	crude	Baltics	now
9.000	light ends	Latvia	now
10.000	vegoils	Poland	now
--South Europe/Med/Black Sea---------------------------			
5.000	chems	France (NW)	now
28.000	chems/vegoils	France (NW)	now
120.000	diesel/gasoil	France (South)	now
120.000	light ends	France (South)	now
4.000	chems	France (South)	now
6.000	various	Spain (NW)	now
15.000	chems	Spain (East)	now
34.000	biodiesel	Spain (East)	now
180.000	light ends	Spain (East)	now
15.000	diesel	Spain (South)	now
89.000	diesel/gasoil	Italy (NE)	now
14.050	chems	Italy (NW)	now
47.000	various	Italy (NW)	now
6.600	light ends	Albania	now
16.500	vegoil/(bio)diesel	Albania	now
300.000	crude	Croatia	now
22.000	vegoils	Turkey (Black Sea)	now
15.000	chems	Turkey	now
31.000	base oils/easy chems	Turkey	now
40.000	crude	Romania	now
30.000	light ends	Georgia	now
100.000	dirty petroleum prods	Georgia	now
4.500	vegoils	Ukraine (Black Sea)	now
30.000	light ends	Ukraine (Danube)	now
33.000	dirty petroleum prods	Ukraine (Danube)	now
5.000	various	Russia (SW)	now
10.000	chems	Russia (SW)	now
---Africa---------------------------			
14.200	chems	Egypt	now
6.000	chems/vegoils	Egypt	now
10.000	various	Egypt	now
2.000	chems	Kenya	now
12.000	chems	Tanzania	now
12.000	Gasoil	Tanzania	now
55.000	light ends	Ghana	now
2.200.000	crude	South Africa	now
10.000	diesel/gasoil	South Africa	now

-----Middle East-----			
20.000	various	India (Gujarat)	now
10.000	bitumen	India (Gujarat)	now
3.500	light ends	UAE	now
30.000	chems	UAE	now
-----Far East-----			
100.000	dirty petroleum prods	China (North)	now
5.500	chems	China (North)	now
80.000	diesel/gasoil	China (South)	now
30.000	light ends	China (South)	now
260.000	dirty petroleum prods	China (South)	now
3.800	chems	China (South)	now
280.000	dirty petroleum prods	China (Gr. Ningbo)	now
800.000	crude	China (Gr. Ningbo)	now
3.000	chems	China (Gr. Ningbo)	now
120.000	diesel/gasoil	China (Yangtze River)	now
18.000	chems	China (Yangtze River)	now
230.000	crude	China (Shandong)	now
100.000	dirty petroleum prods	China (Shandong)	now
8.000	chems	China (Shandong)	now
20.000	vegoils	Malaysia	now
22.000	vegoils	Malaysia	Q4, 2019
58.653	light ends/diesel	Malaysia	now
58.000	light ends/diesel	Singapore	now
60.000	light ends/diesel	Singapore	Q4, 2019
-----North America (bbls)-----			
20.000	chems	California, USA	now
470.000	light ends	California, USA	now
749.000	gasoil/various	Georgia USA	now
235.000	light ends	Louisiana, USA	now
80.000	chems/clean prods	Louisiana USA	now
260.000	veg oil /easy chems	Louisiana USA	now
100.000	LPG	New Hampshire	now
504.000	light ends	New Jersey, USA	now
22.500	chems (heated)	New Jersey, USA	now
1.967.000	light crude/petroleum prods	New York, USA	now
1.100	chems (ss)	New York, USA	now
250.000	chems	North Carolina, USA	now
1.300	chems	Ohio, USA	now
500.000	chems/clean prods	Oregon, USA	now
50.000	light ends	Pennsylvania, USA	now
120.000	light ends	Rhode Island, USA	now
240.000	dirty petroleum prods	South Carolina, USA	now
325.000	(bio)diesel	Texas, USA	now
260.000	light crude/petroleum prods	Texas, USA	now
-----Central & South America-----			

2.000.000	crude	Bahamas	now
2.300.000	diesel/gasoil	Aruba	now
190.000	various	Puerto Rico	now
110.000	crude	Colombia (caribbean)	now
392.000	diesel/gasoil	Colombia (caribbean)	now
35.000	dirty petroleum prods	Panama (atlantic)	now
40.000	chems/vegoils	Brasil	now
29.500	dirty petroleum prods	Argentina	now
10.000	diesel/gasoil	Argentina	now